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RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 3967
RUEHLO/AMEMBASSY LONDON PRIORITY 5268
RUEHNE/AMEMBASSY NEW DELHI PRIORITY 1339
RUEHCI/AMCONSUL KOLKATA PRIORITY 3395
RUEKJCS/SECDEF WASHDC PRIORITY
RUCNDT/USMISSION USUN NEW YORK PRIORITY 2621
RHEFDIA/DIA WASHDC PRIORITY
RHMFISS/CDR USPACOM HONOLULU HI PRIORITY
RUEAIIA/CIA WASHDC PRIORITY
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C O N F I D E N T I A L SECTION 01 OF 03 KATHMANDU 000824

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TAGS: [PGOV](#) [PTER](#) [PHUM](#) [PREF](#) [KDEM](#) [ECON](#) [NP](#)
SUBJECT: MAOIST ABUSES/MADHESI UNREST CONTINUE IN
SOUTHEASTERN NEPAL

Classified By: Ambassador James F. Moriarty. Reasons 1.4 (b/d).

Summary

1. (C) Political party leaders, business community representatives, human rights monitors and minority rights activists in southeastern Nepal told the Ambassador during an April 17-19 visit that they were increasingly dissatisfied with the general lack of security. Threats, extortion and intimidation by the Maoists and by the extremist Madhesi groups continued apace. Business leaders had deferred investing in their industries due to continued Maoist interference. Incidents of kidnapping and numbers of internally displaced persons (IDPs) were unknown but appeared to be increasing.

Morang District Less Safe Today

2. (C) Political party leaders, business community representatives, human rights monitors and minority rights activists in Morang and Udayapur districts told the Ambassador April 17-19 that they were increasingly dissatisfied with the Government of Nepal's (GON) failure to provide security in the face of Maoist abuses and Madhesi unrest. In recent months Morang, considered the safest district in Nepal just a year ago, had been negatively impacted by continuing Maoist atrocities, and by the increasing activities of Maoist splinter groups pushing for an independent Madhesi state. Morang Chief District Officer Mod Raj Dotel said his district was in trouble. Morang Deputy Inspector General of Police Rabindra Pratap Shah said the biggest problem he faced was the Janatantrik Terai Mukti Morcha (JTMM), which was engaging in illegal and violent activities. The JTMM had obtained better weapons than the police by smuggling them across the Indian border with Maoist assistance. The leading Madhesi organization, the Madhesi People's Rights Forum (MPRF), on the other hand, had been participating in political discussion and had not chosen violence to carry its message. Police posts had all been re-opened in the district, but some were still operating with minimal staffing and equipment.

YCL Intimidation a Problem

13. (C) Members of the Nepali Congress-Democratic (NC-D) Party in Morang and Udayapur warned that, if the Young Communist League (YCL) were not dissolved, Constitutional Assembly elections would be neither free nor fair. They charged that Maoists were blackmailing the Prime Minister and leaders of the former Seven-Party Alliance and intended to extort money from the state to run their campaign. Small YCL crowds in both Biratnagar, Morang, and Gaighat, Udayapur, turned out in protest of the Ambassador's visit, waving black flags and chanting "Death to Moriarty."

IDPs Cannot Return Home

14. (C) The National Human Rights Commission (NHRC) in Biratnagar, Morang, reported that kidnapping was on the rise and that the problem of internally displaced persons (IDPs) was also increasing. However, the real number of IDPs throughout Nepal remained unknown. CDOs had very little data, but said the numbers were few. Local NGOs estimated 2,000-24,000 IDPs in the eastern region alone, but that there could be as many as 200,000 throughout the country. An officer from the UN Office of the High Commissioner for Human Rights (OHCHR) noted that, although only eight IDP cases had been documented in one Terai district, he found ten more in one day as a visitor. Local media reported that some IDPs had attempted to return to their homes but Maoists had taken them back to district headquarters. The Office of the UN High Commissioner for Refugees (UNHCR) representative indicated UNHCR had developed a monitoring program and had conducted workshops in two districts. UNHCR meetings with CDOs had been positive, but CDOs had been given no budget or

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mandate to address the IDP issue. OHCHR warned of a new trend in human trafficking: a rising demand originating in the Middle East for women of specific ethnicities and castes, which was having a significant impact in Sunsari District.

Local Economy in Distress

15. (C) Business leaders from the Morang chapter of the Federation of Nepali Chambers of Commerce and Industry (FNCCI) said they had deferred investing in their industries due to risks posed by continued Maoist interference. Arati Steel, an Indian industry which had employed 20,000 in the city of Biratnagar, planned to close down its factory and return to Kolkata. Of a group of 61 industries that had been members of the FNCCI in Morang, 50 had left or failed within the past three years because of Maoist threats and extortion.

While industry leaders and local authorities admitted that the Maoists had kidnapped businessmen for ransom, forced factories to close for days or weeks over labor and wage disputes, and physically harassed managers, they were reluctant to report such incidents to OHCHR or the media for fear of further retaliation. In a separate meeting, the Ambassador challenged OHCHR to speak out against the Maoists publicly and actively engage the business community. He criticized OHCHR for its failure to publicly condemn Maoist extortion and intimidation in the business community, such as in the recent case of a Maoist beating of a hotel owner in Kathmandu.

Minorities Feel Slighted by Constituency Delineation

16. (C) Madhesi and indigenous groups' representatives described the government's division of electoral constituencies in Morang as discriminatory and unjust, arguing the delineation had rendered it impossible for minority groups' representatives to capture seats in any constituency. Most agreed that postponing the election beyond June was a necessary step and maintained that a minimum of six to eight months would be required to address

the concerns of marginalized groups before moving on to an election. An election could not be held without adequate security to allow the parties to campaign in the villages free from Maoist intimidation. Political leaders concurred that campaigning in rural areas was too dangerous at present.

Bhutanese Refugee Resettlement Plan Appreciated

¶7. (C) The Ambassador asked Morang authorities for good cooperation with U.S. efforts to resettle Bhutanese refugees.

He briefly explained the resettlement policy in response to Morang CDO Dotel's admission of both his own and the refugees' ignorance of the selection process and offered to send additional information as it became available. Dotel promised cooperation and expressed his belief that the resettlement of the Bhutanese refugees in the United States would be a great benefit to Nepal.

Comment

¶8. (C) The Ambassador's recent visit to Morang and Udayapur Districts confirmed that the security situation in the eastern Terai and lower hills is not only serious, but at least in Morang continues to deteriorate. The commercial sector representatives demonstrated little confidence in the GON's ability or political will to protect business interests or enforce the rule of law -- with good reason given the pattern of Maoist impunity prevailing generally in Nepal. The GON's failure to adequately consult marginalized groups before delineating new electoral constituency boundaries for the planned Constituent Assembly election has resulted in deepening frustration and division among ethnic lines. This problem does not seem likely to disappear anytime soon. A disturbing absence of women was noted in the Ambassador's meetings in the two districts, which only served to emphasize the need for greater inclusion in the politics of a "new

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Nepal." We will continue to press the GON to focus on inclusion of all groups in the political process, not just those, like the Maoists, who have chosen violence as a means to an end.

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